Modification Number One to APS 674-06-002
Dated March 6, 2006

1. Section 2B page 6. The following paragraph is added to Section 2B after the second paragraph:

Scalability
Applicants should consider programs that if successful can be increased in size by replication or by expansion of the program to additional geographic regions.

2. Section V, page 10. The following sentences are added at the end of the paragraph:

For purposes of this APS, any organization that has received PEPFAR funds from the USG South Africa through a purchase order in an amount of less than $250,000 per annum, rather than through a grant or cooperative agreement, is not considered to have been a prime partner and is eligible to submit a concept paper under this APS. Any prime partner funded through a multi-country five year agreement is eligible to apply under this APS if the multi-country five year agreement ends prior to September 30, 2007.

3. Section VI, page 11. The following is added after the second paragraph (just prior to paragraph starting with *Concept papers should be developed using the following format:*):

Please note that the required cover page and summary budget do not count toward the eight-page concept paper limit. Any information submitted in addition to the eight-page concept paper, summary budget and cover page will not be considered in the concept paper review process.

4. Section VI, page 11. The third bullet after "*Concept papers meeting the following criteria will be reviewed:*" is amended to read as follows:

Eight pages or less using A4 paper size and Times New Roman 11-point font. *Note that the required cover page (Annex 2) and summary budget do not count toward the eight-page limit.*

5. Application Evaluation Criteria, page 20. The following is added as an additional bullet under the heading "Overall Technical Approach":

- Activities can be increased in scale by replication of successful interventions or by expansion to additional geographic regions.

6. Following are questions submitted to southafricapepfar@state.gov.

6.1 Q: What focus areas would PEPFAR look at in this financial year? When will you start accepting applications for the annual program statement?

A: The focus areas for Annual Program Statement 684-06-002 are described in the APS solicitation available at http://pepfar.pretoria.usembassy.gov. As stated in the APS, concept papers must be submitted no later than March 31, 2006.

6.2 Q: Is our organization eligible to receive funding under this APS if we currently receive PEPFAR funds via the global cooperative agreement, AIDSMark?

A: Any organization that does not receive PEPFAR funds as a prime partner from the USG in South Africa is eligible. Organizations that receive "track one" funding or global awards, such as through AIDSMark, are eligible unless they also receive PEPFAR funds directly from the USG in South Africa as a prime partner.

6.3 Q: Our organization has received PEPFAR funds, but not through a grant or cooperative agreement. Instead we have received funds through a purchase order for an amount less than $250,000. Are we eligible to apply under the APS?

A: For the purposes of this APS, any organization that has received PEPFAR funds from the USG South Africa through a purchase order in an amount of less than $250,000 per annum, rather than through a grant or cooperative agreement, is not considered to have been a prime partner and is eligible to submit a concept paper under this APS. Please consult with your activity manager if you are uncertain about how this applies to your organization.

6.4 Q: While a prime contractor who is receiving USG South Africa PEPFAR funds cannot apply as a prime contractor for this APS, could that same organization be a sub-grantee to an applicant that has not received USG South Africa PEPFAR funds?

A: Yes. Any eligible applicant may have as its sub-grantee or sub-partner an organization that does currently receive PEPFAR funds directly from the USG in South Africa.

6.5 Q: Is it possible for an existing partner receiving PEPFAR funds as a prime partner directly from the USG South Africa to be a sub-partner in a new proposal from an American organization?

A: Yes. An existing prime partner may be a sub-partner or sub-grantee on an application from an eligible organization.

6.6 Q: We receive funding directly from the USG in South Africa for a treatment program, and we also receive funding through a sub-partner for another program. Are we allowed to apply for additional funding through the APS as long as it is for a different program than the one for which we receive direct funding?

A: An organization that receives PEPFAR funding directly from the USG in South Africa through a grant or cooperative agreement is not eligible to apply under this

APS, even if that application is seeking support for a different program. Organizations currently receiving PEPFAR funds from the USG in South Africa as a prime partner should consult with their activity manager regarding any plans for new or expanded programs.

6.7 Q: I was not able to attend one of the pre-application workshops. Can my organization still apply under the APS?

A: Yes. There is no requirement that applicants who wish to submit concept papers must attend one of the pre-application workshops.

6.8 Q: My organization is considering a joint application with a Provincial Department of Health as the principal applicant. Is a South African Government health provider eligible to submit a proposal under the current APS?

A: South African Government agencies and departments may submit proposals for consideration directly to the U.S. Embassy, and are not required to submit concept papers under the APS. South African Government entities who wish to submit proposals for consideration should contact the PEPFAR Secretariat at the U.S. Embassy. Initial inquiries can be submitted to southafricapepfar@state.gov.

Non-governmental applicants are encouraged to obtain support for their projects from South African Government agencies. The APS scoring criteria provide points for programs that can demonstrate South African Government support.

7. Following are questions and answers from the pre-application workshop held in Durban on February 27.

7.1. Q: When is the deadline for the full proposals likely to be?

A: The concept paper review period depends upon the number of submissions received. The U.S. Government (USG) anticipates that it will complete the concept paper review process in approximately one month. It is expected that organizations will be invited to submit full proposals at the end of April or early May, and that full proposals will be due in the second week of June.

7.2 Q: How many new projects/partners is PEPFAR hoping to identify in South Africa?

A: PEPFAR has not identified a targeted number of new projects or partners. The number of new partners will depend upon the quality of the proposals. The USG anticipates a significant number of applications and the review process will be highly competitive.

7.3 Q: The APS document suggests that organizations with South African Government support will be favoured. How should prospective partners demonstrate this government collaboration or support?

A: In certain circumstances the collaboration will be self-evident, for instance, in the case of an organization or intervention based in a government facility. Alternatively a

letter of support from the relevant tier of government will suffice. A detailed expression of support outlining areas of collaboration is the most valuable. Please note that letters of support are not required in the concept paper round.

7.4 Q: The APS document and USG presentations have not mentioned much about a nutritional roll out. Will there be funding available for organizations involved in improving nutrition?

A: The focus of the Emergency Plan is HIV and AIDS service delivery. Food security programs alone will not qualify for funding. However, the Emergency Plan can support funding for nutrition on a limited basis, especially when nutrition is an essential element of an HIV intervention, such as an OVC program where nutrition is important. More detailed guidelines about nutrition are in development. It is advisable to focus on HIV service delivery in any proposal, and then identify why any proposed nutrition elements are essential for HIV service delivery.

7.5 Q: Is funding through the South African APS limited to South African citizens or can it be used for refugees?

A: Funds can be used for any target group as long as the projects operate in South Africa.

7.6 Q: Would our organization be eligible for funding or projects located in several sub-sites in different geographic areas?

A: Absolutely. Demonstration of geographic reach is an important evaluation criteria.

7.7 Q: Are organizations allowed to submit applications under different categories? Our organization is active in more than one of the program areas. Can we submit more than one application or must we choose one program area?

A: Applicants may submit multiple proposals in different program areas. Applicants may also combine programs in multiple program areas into a single proposal. The USG has no preference and will review separate proposals as well as combined proposals with interventions in different programmatic areas. Comprehensive programming is encouraged, as well as programs that provide appropriate linkages to other services.

7.8 Q: Is the funding only available for services or is funding available for equipment and infrastructure, such as a mobile clinic?

A: PEPFAR funding can be used for infrastructure or equipment on a limited basis, but the primary focus of the program is on service delivery. Often equipment or infrastructure is required in order to carry out service delivery. The program has funded vehicles such as mobile clinics when those vehicles are essential to provide services to difficult to reach populations.

7.9 Q: We currently have programs in Zambia and Uganda. Will that count as experience and can we mention it in our proposal?

A: Yes – that type of experience will be considered. The APS scoring criteria provide points for programs that can demonstrate South Africa specific experience.

7.10 Q: The two-year funding cycle is confusing. The APS suggests that the money will be available in March 2007 and that the program will end in September 2008. How does that work?

A: The USG fiscal year runs from October to September each year. Although the fiscal year begins in October, Emergency Plan funds are generally not available immediately. Based on prior experience, the USG anticipates that funds for new projects selected through the APS will be available in March/April 2007. The fiscal year will end in September, and that is the deadline for entering into agreements to obligate the funds. According to USG procedures, projects and funding are approved annually. Successful applicants under the APS will have two years to implement their programs starting when they enter into agreements to receive funding.

7.11 Q: Will the funding be affected by exchange rates?

A: PEPFAR grants are administered in U.S. dollars. The dollar/rand exchange rate may fluctuate to the benefit or the detriment of grantees. There are no supplementary funds available to make up for any shortfalls due to exchange rate fluctuations. For purposes of submitting applications, an exchange rate of R6 to $1 should be used.

7.12 Q: Are there specific regional disparities which the USG is aiming to address through this funding?

A: The PEPFAR program operates in all Provinces in South Africa. Many HIV service providers currently are concentrated in certain urban areas. Preference under the APS will be given to organizations targeting underserved areas in rural areas or peri-urban areas where there is a lack of HIV and AIDS services. Please see the evaluation criteria included in the APS.

7.13 Q: If there were a delay in the transfer of PEPFAR funds, should we use our own money in the interim, and will we be reimbursed accordingly?

A: In extreme or unusual circumstances, the USG can allow an organization to commence activities before the date an agreement is signed, but ideally by less than a month or two. If, from a technical point of view, it is essential that the program is not delayed, reimbursement for expenses incurred prior to award would be determined on a case by case basis.

7.14 Q: Is it possible to outsource the monitoring and evaluation component?

A: Yes.

7.15 Q: Will organizations be permitted to use funds for construction?

A: Construction or renovation is not the focus of the Emergency Plan. Infrastructure projects can be supported, as long as they are included and justified as components of a program that supports service delivery.

7.16 Q: Will organizations be permitted to use funds for the establishment and running of orphanages?

A: Yes it is possible, but consistent with the priorities of the Department of Social Development, proposals for community-based care will be favoured.

7.17 Q: Will targets be adapted if there is a delay in the transfer of funds and organizations have less time to meet their targets?

A: No. The dates for measuring results are fixed at September 30 and March 31 each year. The USG may take funding delays into account to justify why targets were not met.

7.18 Q: Is it correct to say that programs should commence in March/April 2007 and the funding will total a maximum of US$ 2 million per annum?

A: Yes.

7.19 Q: Page 10 of the APS document states that sub-partners receiving PEPFAR South Africa funding through direct agreements with Pact, Inc. are not eligible to apply under this APS. What does this mean?

A: Pact, Inc. is a grant management organization that manages a number of USG agreements. Organizations that are managed under the Pact, Inc. mechanism will be aware of this.

7.20 Q: In terms of the OVC (orphans and vulnerable children) program, will there be funding available for bursary schemes for OVCs?

A: OVC programs include funding for a package of services. This package may include food, after school care, access to government grants, education etc. Any bursary scheme should be part of a package of services. Different OVC services are listed in the South African Strategic Information Manual available on the South Africa PEPFAR website. http://pepfar.pretoria.usembassy.gov.

7.21 Q: The APS document emphasises that programs must be sustainable. Can you elaborate on sustainability?

A: Sustainability differs from project to project. Generally it refers to the ability of the project to carry on after the Emergency Plan support is complete. Factors that promote sustainability may include training and capacity development, improved systems such as management information systems, financial management systems and accounting systems, government support and collaboration, and alternate sources of funding.

7.22 Q: Our organization works in marginalised rural informal settlements through a number of local partner organizations. Would it be possible to submit a proposal for these activities? The problem is that we still need to identify the local partners in various areas and determine the final number of people in the target group.

A: The USG is very interested in programs that will reach underserved areas. PEPFAR has funded umbrella agreements and grants-making activities in the past.

7.23 Q: What type of applications are you looking for under the program area 'Policy, Strategic Information and Systems Strengthening'?

A: The USG is looking for potential applicants to assist with the development of a variety of tools to strengthen systems including monitoring and evaluation, targeted evaluations, health management systems, and information systems.

7.24 Q: When will PEPFAR end?

A: The Emergency Plan is a five-year program ending in Fiscal Year 2008. It may be renewed beyond this fixed timeframe, but there can be no assurances about what form such a renewal might take.

7.25 Q: We are funded by the Nelson Mandela Children's Fund. Would we be eligible to apply under the APS?

A: Yes. Current sub-partners are eligible to submit a concept paper under the APS.

7.26 Q: Page 11 of the APS document states that the cover page, summary budget and any attachments do not count towards the 8-page limit. How do you envisage the budget and these attachments?

A: The USG will be posting a modification to the APS document (see 3 and 4 above) to clarify the pages required to be submitted with a concept paper. Please keep to 8 pages excluding the cover page and the budget. Do not submit any other attachments at the concept paper stage. The elements to include at the concept paper stage are listed on p. 11 of the APS.

7.27 Q: If we are working in partnership with another organization that also is receiving PEPFAR funding how do we submit our monitoring and evaluation data in terms of the targets?

A: Organizations collaborating with other recipients report their results independently. Such organizations also need to inform the USG about partnerships with other PEPFAR-funded organizations in order to avoid double counting targets when aggregating South African data.

7.28 Q: Sustainability is an area of concern. Our organization has been operating for 16 years and has had some successes in adopting a holistic approach but it is not always possible to be sustainable. For instance, we use the services of volunteers, and our salaries are low, but we operate in the Valley of a Thousand Hills and we do need vehicles.

A: A 16-year history is a strong point to include in your proposal. A long operating history speaks to your organization's sustainability.

7.29 Q: Our organization has programs in Mozambique, Angola and Zambia. Can we apply for funding for them under the South African APS?

A: No. The South Africa APS is only for programs operating in South Africa. PEPFAR funding is available in other countries worldwide but each country has its own solicitation and project selection process, and programs need to apply in their host country.

7.30 Q: Does PEPFAR favour the 'AB' or the 'C' approach to prevention and behaviour change? What is PEPFAR's priority?

A: The Emergency Plan supports a balanced prevention program including all elements of "A", "B" and "C"; abstinence, be faithful and correct and consistent condom use. The program does not favour one element over another. Some projects support one element, other projects support all elements. The Office of the Global AIDS

Coordinator has issued ABC Guidance, which is posted on the South Africa PEPFAR website. http://pepfar.pretoria.usembassy.gov. Go to Policy Guidance.

7.31 Q: With regard to OVC indicators, the APS refers to direct versus indirect impact. It adds that organizations need to be providing at least three services to fall into the direct OVC program area. Are those services unpacked in the SASI manual? Is it generally fairly easy or difficult to qualify as a direct impact service-provider? Does PEPFAR prefer direct impact OVC services?

A: The Emergency Plan program does not place a higher value on direct or indirect impacts. The USG will consider proposals for both direct and indirect impact under the OVC program area. Proposals are judged on a case-by-case basis. The different OVC services are listed in the South African Strategic Information Manual available on the PEPFAR South Africa website. http://pepfar.pretoria.usembassy.gov.

7.32 Q: With regard to the indicators for VCT (voluntary counselling and testing), are those mentioned in the presentation the only indicators? What about those that have been tracked in the past?

A: The presentation focused on the minimum data set. There are other optional indicators, and the USG strongly supports partners that report on these as well. The APS and South Africa Strategic Information Manual provide a comprehensive listing of required indicators, and organizations are free to draw upon these for their proposals where appropriate. The South Africa Strategic Information Manual is available on the PEPFAR South Africa website. http://pepfar.pretoria.usembassy.gov.

7.33 Q: Is the SASI (South Africa Strategic Information) manual on the website?

A: Yes. Applicants also are encouraged to monitor the website to find additional questions and answers from the pre-application workshops. (http://pepfar.pretoria.usembassy.gov).

7.34 Q: In terms of infancy care for OVCs, would PEPFAR prefer institutional care or community care?

A: PEPFAR follows the South Africa Department of Social Development guidelines, which favour community-based care where possible.

8. Following are questions and answers from the pre-application workshop held in Port Elizabeth on February 28.

8.1 Q: In the presentation, OVC proposals were broken down into direct and indirect impact. Will capacity building take the same format? Our organization works with government day clinics. Our core focus is not to build capacity, but as an indirect spin-off a considerable amount of capacity building is taking place.

A: There are seven indicators in the South Africa Strategic Information (SASI) Manual relating specifically to indirect impact. These indicators will help organizations to measure indirect capacity building at the appropriate level. Capacity building primarily will fall into the category of direct impact. Perhaps your proposal will fit in the Policy, Strategic Information and System Strengthening program area. The South Africa Strategic Information Manual is available on the PEPFAR South Africa website. http://pepfar.pretoria.usembassy.gov.

8.2   Q: According to the APS document, mass media initiatives will not be supported. Why not? Would educational books fall into the category of mass media?

A: There are already a number of mass media initiatives receiving PEPFAR support. Whether books would fall into this category depends upon the nature of the project. A project disseminating books to support an educational program operating at a community level would not be considered mass media, but a magazine that is produced and disseminated at a national level possibly would fall into the mass media category.

8.3 Q: In terms of monitoring and evaluation how would PEPFAR suggest we go about measuring the impact of our behaviour change workshops? How do you measure behaviour change? Have you seen this done successfully before or are you just interested in the number of people trained?

A: PEPFAR is looking for the number of people trained as well as the effect of the training. It may be possible to obtain this information through a tool such as an annual survey. The type of tool to measure the effect will depend on the intervention, but partners will be expected to have a plan to measure the impact of their interventions.

8.4 Q: Is all the information presented at the workshop available on the website?

A: Yes, the website contains general information about PEPFAR, the South Africa APS, and the SASI Manual. The presentations delivered at the pre-application workshops are posted on the website, and the questions and answers from the workshops will also be posted on the website so that all applicants have access to the same information. http://pepfar.pretoria.usembassy.gov.

8.5 Q: Our organization receives funding from CARE International to do counselling at one of CARE's sites. Would we still be eligible for PEPFAR funding? How will it work in terms of reporting? Is it possible to have several organizations operating at the same site?

A: Sub-partners are eligible to submit concept papers under the APS. Partners collaborating at the same site must inform the USG that the same data are being reported by different organizations so that these results are not double counted when aggregating data.

8.6 Q: Churches were not mentioned – Where do they fit in?

A: Church organizations, faith based organizations (FBOs) and individual churches are encouraged to apply under the APS.

8.7 Q: Can PEPFAR funds be used to pay for antiretroviral therapy for people living with HIV/AIDS who are currently on a medical aid or must they pay for them on their medical aid?

A: PEPFAR cannot fund ART for individuals who are receiving treatment supported by medical aid. PEPFAR can however fund organizations to provide ART to individuals who cannot afford to pay for it.

8.8 Q: What about public private partnerships? How do they fit in with PEPFAR's requirements?

A: Public-private partnerships are encouraged to apply under the APS.

8.9 Q: What about Government clinics, how do they fit into the PEPFAR program?

A: 75% of ART patients supported by the Emergency Plan are patients in government facilities. The Emergency Plan supports projects that help increase the capacity of public facilities, by providing training, engaging additional staff and providing other assistance. Partners supplement what is already being done at public facilities and fill any gaps.

8.10 Q: Is it better to apply as part of a consortium or as an individual organization?

A: Neither is preferred. PEPFAR supports both individual organizations and consortia. Organizations can submit applications alone and as part of a consortium.

8.11 Q: The APS suggests that organizations allocate 5% to 10% of their budget for monitoring and evaluation. Has PEPFAR explored the potential for sharing health management information and other systems? This would mean that smaller organizations would not have to allocate so much of their funding to the establishment of these systems.

A: There is not a one-size-fits-all approach to monitoring and evaluation, and the suitability of health management and information systems varies from organization to organization and by the type of program implemented. The USG recently supported a meeting to review Health Management Information Systems, and the presentations from that meeting are posted on the South Africa PEPFAR website. http://pepfar.pretoria.usembassy.gov.

8.12 Q: Can we use PEPFAR money to purchase a computer and health management and information system for one of our partner clinics? It would be really helpful in terms of our work.

A: Generally PEPFAR focuses on service delivery. PEPFAR can support equipment when an applicant can demonstrate that the equipment will enhance the quality of service delivery.

8.13 Q: Can unregistered NGOs apply for PEPFAR funding?

A: Yes, but it is advisable that an applicant get registered as applicants may experience other barriers which could hinder their programs.

8.14 Q: Can NGOs use money to carry out impact research?

A: There is limited funding available for targeted evaluations of services, such as operations research into the effectiveness of treatment or care programs. Review the APS for more detailed guidance. Generally the targeted evaluations must be designed to improve service delivery.

8.15 Q: Can a private NGO clinic apply for funding or must it be linked to government?

A: Private clinics are eligible for funding. However, in terms of sustainability, a relationship with government is preferred. The APS scoring criteria provide points for programs that can demonstrate South African Government support.

8.16 Q: Should the amount budgeted for monitoring and evaluation include a baseline survey?

A: The 5%-10% recommended for monitoring and evaluation is simply a guideline. Organizations need to determine what is necessary for effective monitoring and evaluation. Service delivery is the priority so organizations need to balance their monitoring and evaluation requirements with their targeted outputs.

8.17 Q: Can organizations apply under more than one program area, particularly those that provide comprehensive services?

A: Yes.

8.18 Q: Can organizations submit more than one application?

A: Yes.

8.19 Q: When is the deadline for full proposals?

A: The concept paper review period depends upon the number of submissions received. The U.S. Government anticipates that it will complete the concept paper review process in approximately one month. It is expected that organizations will be invited to submit full proposals at the end of April or early May, and that full proposals will be due in the second week of June.

8.20 Q: One of the presentations mentioned that there is funding available for an educators program through the unions. Is there more information available about this program?

A: Yes, the Emergency Plan currently funds a program for teachers. There is information available at http://pepfar.pretoria.usembassy.gov. Go to PEPFAR Partners>American Center for International Labor Solidarity.

8.21 Q: Will it be advantageous for non-South African citizens to partner with local organizations?

A: Applications with local partners and local experience will score additional points according to the evaluation criteria.

8.22 Q: Is there a listing of USG partners to facilitate collaboration and information sharing? During the presentation there were a number of USG partner sites in our area and we would like to find out who is working there so that we can collaborate with them.

A. Yes all USG partners are listed on the South Africa PEPFAR website http://pepfar.pretoria.usembassy.gov. Go to PEPFAR partners.

8.23 Q: Who reviews the proposals?

A: A panel consisting of USG technical experts from USAID, HHS/CDC and the US Mission to South Africa and perhaps others will conduct the technical review of concept

papers. A panel made up of representatives from the USG, South African Government, academic institutions and other relevant technical experts will review the full proposals.

8.24 Q: Should applications contain a summary budget for one year or for two years?

A: If an applicant requests funding for one year, they should submit a one-year budget. If an applicant requests funding for two years, they should submit a two-year budget, with a break down for each year.

8.25 Q: Are there any write-ups or examples of good programs or programs likely to receive funding?

A: The successful applicants from prior rounds are current Emergency Plan partners. These partners are listed on the South Africa PEPFAR website. http://pepfar.pretoria.usembassy.gov. There are no documents that provide a 'recipe' for a successful organization.

8.26 Q: How many pages can we include as attachments? Should we include letters of support?

A: There will be a modification to clarify instructions on this point (see 3 and 4 above). Concept papers are limited to 8 pages, excluding the cover sheet and the budget. No other attachments should be submitted in the concept paper phase. Please note that letters of support are not required in the concept paper round.